

State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Commissioner Donald S. Hill



Monthly Revenue Summary

	<u>FY 06</u>	<u>FY 05</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 553.3	\$ 544.1	\$ 9.2
Highway	\$ 18.1	\$ 21.0	\$ (2.9)
Fish & Game	\$ 0.6	\$ 0.7	\$ (0.1)

Current Month Analysis

General & Education Funds	<i>FY06 Actuals</i>	<i>FY06 Plan</i>	<i>Actual vs. Plan</i>
Business Profits Tax	\$ 46.2	\$ 61.6	\$ (15.4)
Business Enterprise Tax	43.9	30.2	13.7
Subtotal	90.1	91.8	(1.7)
Meals & Rooms Tax	14.3	14.8	(0.5)
Tobacco Tax	12.4	11.2	1.2
Liquor Sales and Distribution	9.0	9.3	(0.3)
Interest & Dividends Tax	3.1	2.2	0.9
Insurance Tax	23.7	27.3	(3.6)
Communications Tax	5.8	6.0	(0.2)
Real Estate Transfer Tax	7.9	9.0	(1.1)
Estate & Legacy Tax	-	0.5	(0.5)
Court Fines & Fees	3.3	2.8	0.5
Securities Revenue	2.0	2.2	(0.2)
Utility Tax	0.6	0.5	0.1
Board & Care Revenue	0.8	1.2	(0.4)
Beer Tax	0.8	0.7	0.1
Racing Revenue	0.3	0.3	-
Other	5.5	5.3	0.2
Transfers from Lottery/Pari-Mutuel	9.6	6.3	3.3
Tobacco Settlement	-	-	-
Utility Property Tax	-	-	-
State Property Tax	363.4	363.0	0.4
Subtotal	552.6	554.4	(1.8)
Net Medicaid Enhancement Rev	0.1	0.1	(0.0)
Recoveries	0.6	1.5	(0.9)
Subtotal	553.3	556.0	(2.7)
Other Medicaid Enhancement Rev to Fund Net Appropriations	-	-	-
Total	\$ 553.3	\$ 556.0	\$ (2.7)

Unrestricted revenue from the General and Education Funds for March totaled \$553.3 million, which was below plan by \$2.7 million but ahead of prior year by \$9.2 million. Year to date (YTD) revenue totaled \$1,620.0 million, which was above plan by \$37.7 million primarily the result of greater than expected Business Tax collections early in the year. When comparing total unrestricted revenue YTD to last year, revenue is ahead by \$44.9 million.

Business taxes (BPT & BET) for March totaled \$90.1 million, which was slightly below plan by \$1.7 million but above prior year by \$8.6 million. On a YTD basis, revenue from business taxes totaled \$356.7 million which was above plan by \$40.7 million (13%) and ahead of prior year by \$54.5 million (18%). The favorable variances are the result of audit settlements and repatriation collections, which occurred early in the year. Calendar year corporate entities are required to file their returns and pay their tax liability from the previous year by March 15th. Even though the payment is due, many large taxpayers file seven-month extensions and their exact liability won't be known for several months. Next month, non-corporate taxpayer returns are due April 15 along with first quarter estimated payments.

As can be seen in the table on the next page, the growth in the **Real Estate Transfer Tax (RET)** has leveled off during the last few months. With signs of a slowing real estate market, YTD RET collections are tracking behind plan and slightly ahead of the prior year. The RET totaled \$7.9 million for the month, which was below plan by \$1.1 million. YTD revenue from RET totaled \$124.2 million which was also below plan by \$5.8 million (4%) but ahead of prior year by \$4.5 million (4%). The legislative plan assumed a growth rate of 7.4% in FY06.

The **Meals and Rooms Tax** has been tracking slightly below plan all year. On a YTD basis, collections are \$3.5 million (2%) below plan although still above prior year by \$6.6 million (4%). The FY06 plan assumed growth rates of 6.6% over the prior year.

The YTD **Interest & Dividends Tax (I&D)** collections through March, of \$33.1 million, are on track with plan and ahead of prior year by \$4.8 million (17%). April is the next significant month for I&D collections since annual returns and first quarter estimates are due. April's collections generate approximately 37% of the total revenue for the year.

The **Insurance Premium Tax** receipts for March totaled \$23.7 million, which were \$3.6 million below plan and \$1.0 million below prior year. YTD collections of \$70.5 million were also \$2.8 million below plan but slightly above prior year by \$0.7 million. In March, insurance companies file their final returns and also make their first quarter estimated payment. It is expected, according to the Insurance Department that the tax will fall short of plan at year-end.

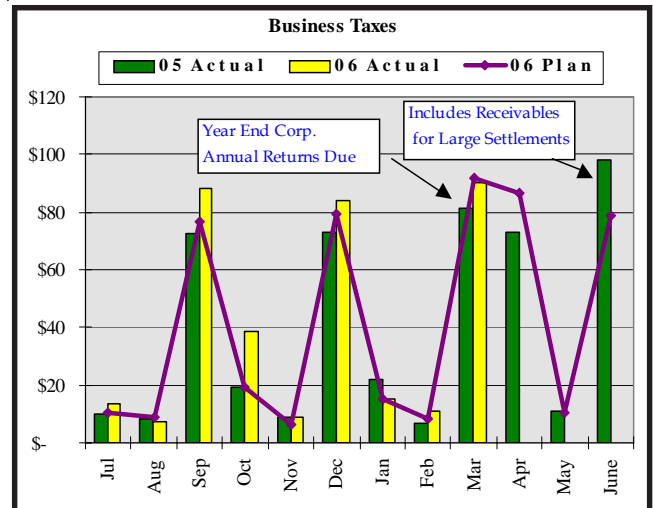
Lottery Transfers to the Education Trust Fund were \$3.3 million above plan for March and brings year to date transfers above plan by \$4.0 million. The March transfer reflects ticket sales leading up to the February 18, 2006 Powerball Jackpot of \$365 million.

During March, the state recognized \$363.4 million from the **State-wide Property Tax** (including the portion retained locally) and processed the final adequacy grant payment of \$141.8 due April 1st.

RET Growth Analysis

(In Millions)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY06	16.6	16.7	17.6	14.8	14.1	14.0	11.9	10.6	7.9
Plan	16.6	16.2	17.1	14.9	14.9	13.9	15.5	11.9	9.0
Mo over plan	-	0.5	0.5	(0.1)	(0.8)	0.1	(3.6)	(1.3)	(1.1)
%	0%	3%	3%	-1%	-5%	1%	-23%	-11%	-12%
YTD Excess	0	0.5	1.0	0.9	0.1	0.2	(3.4)	(4.7)	(5.8)
%	0%	2%	2%	1%	0%	0%	-3%	-4%	-4%



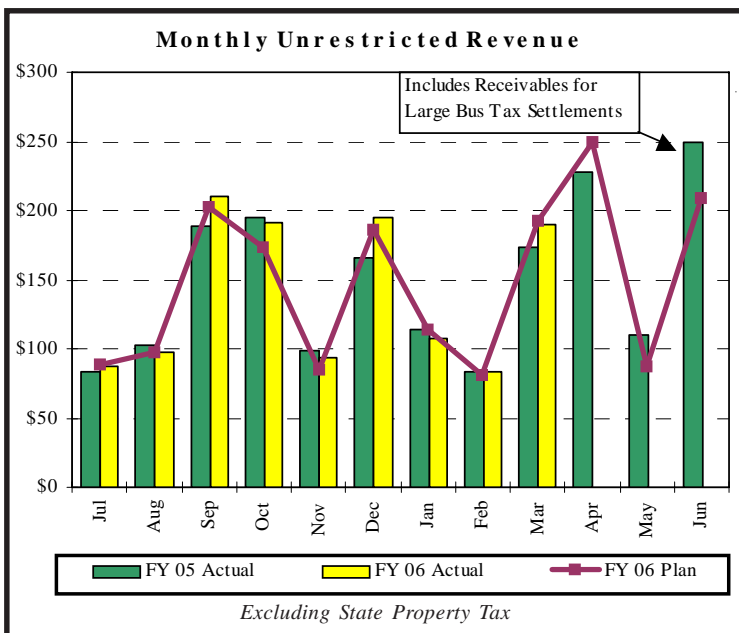
General & Education Funds Comparison to FY 05

General & Education Funds	Monthly			Year-to-Date			%
	FY06 Actuals	FY05 Actuals	Inc/(Dec)	FY06 Actuals	FY05 Actuals	Inc/(Dec)	
Business Profits Tax	\$ 46.2	\$ 46.2	\$ -	\$ 154.2	\$ 134.1	\$ 20.1	15.0%
Business Enterprise Tax	43.9	35.3	8.6	202.5	168.1	34.4	20.5%
Subtotal	90.1	81.5	8.6	356.7	302.2	54.5	18.0%
Meals & Rooms Tax	14.3	14.0	0.3	155.6	149.0	6.6	4.4%
Tobacco Tax	12.4	7.7	4.7	111.0	74.7	36.3	48.6%
Liquor Sales and Distribution	9.0	8.8	0.2	91.6	86.8	4.8	5.5%
Interest & Dividends Tax	3.1	2.5	0.6	33.1	28.3	4.8	17.0%
Insurance Tax	23.7	24.7	(1.0)	70.5	69.8	0.7	1.0%
Communications Tax	5.8	5.7	0.1	52.9	51.1	1.8	3.5%
Real Estate Transfer Tax	7.9	8.1	(0.2)	124.2	119.7	4.5	3.8%
Estate & Legacy Tax	-	0.7	(0.7)	4.2	9.2	(5.0)	-54.3%
Court Fines & Fees	3.3	2.3	1.0	21.7	20.1	1.6	8.0%
Securities Revenue	2.0	1.6	0.4	12.9	11.7	1.2	10.3%
Utility Tax	0.6	0.6	(0.0)	4.8	4.7	0.1	2.1%
Board & Care Revenue	0.8	2.0	(1.2)	9.8	8.8	1.0	11.4%
Beer Tax	0.8	0.8	(0.0)	9.6	9.4	0.2	2.1%
Racing Revenue	0.3	0.2	0.1	2.1	2.6	(0.5)	-19.2%
Other	5.5	6.7	(1.2)	39.3	39.6	(0.3)	-0.8%
Transfers from Lottery/Pari-Mutuel	9.6	5.0	4.6	53.8	47.9	5.9	12.3%
Tobacco Settlement	-	-	-	0.5	0.5	-	0.0%
Utility Property Tax	-	(0.4)	0.4	10.5	10.9	(0.4)	-3.7%
State Property Tax	363.4	371.0	(7.6)	363.4	371.2	(7.8)	-2.1%
Subtotal	552.6	543.5	9.1	1,528.2	1,418.2	110.0	7.8%
Net Medicaid Enhancement Rev	0.1	0.1	(0.0)	73.5	123.2	(49.7)	-40.3%
Recoveries	0.6	0.5	0.1	18.3	11.9	6.4	53.8%
Subtotal	553.3	544.1	9.2	1,620.0	1,553.3	66.7	4.3%
Other Medicaid Enhancement Rev to Fund Net Appropriations	-	-	-	-	21.8	(21.8)	-100.0%
Total	\$ 553.3	\$ 544.1	\$ 9.2	\$ 1,620.0	\$ 1,575.1	\$ 44.9	2.9%

Year-to-Date Analysis

General & Education Funds	General		Education		Total		
	Actual	Plan	Actual	Plan	Actual	Plan	Actual vs. Plan
Business Profits Tax	\$ 118.4	\$ 143.5	\$ 35.8	\$ 32.9	\$ 154.2	\$ 176.4	\$ (22.2)
Business Enterprise Tax	100.6	46.1	101.9	93.5	202.5	139.6	62.9
Subtotal (1)	219.0	189.6	137.7	126.4	356.7	316.0	40.7
Meals & Rooms Tax	149.9	153.4	5.7	5.7	155.6	159.1	(3.5)
Tobacco Tax	53.0	55.1	58.0	54.6	111.0	109.7	1.3
Liquor Sales and Distribution	91.6	92.8	-	-	91.6	92.8	(1.2)
Interest & Dividends Tax	33.1	32.2	-	-	33.1	32.2	0.9
Insurance Tax	70.5	73.3	-	-	70.5	73.3	(2.8)
Communications Tax	52.9	53.3	-	-	52.9	53.3	(0.4)
Real Estate Transfer Tax	83.1	86.8	41.1	43.2	124.2	130.0	(5.8)
Estate & Legacy Tax	4.2	5.3	-	-	4.2	5.3	(1.1)
Court Fines & Fees	21.7	22.6	-	-	21.7	22.6	(0.9)
Securities Revenue	12.9	13.1	-	-	12.9	13.1	(0.2)
Utility Tax	4.8	4.8	-	-	4.8	4.8	-
Board & Care Revenue	9.8	9.0	-	-	9.8	9.0	0.8
Beer Tax	9.6	9.5	-	-	9.6	9.5	0.1
Racing Revenue	2.1	2.6	-	-	2.1	2.6	(0.5)
Other	39.3	39.0	-	-	39.3	39.0	0.3
Transfers from Lottery/Pari-Mutuel	-	-	53.8	49.8	53.8	49.8	4.0
Tobacco Settlement	-	-	0.5	-	0.5	-	0.5
Utility Property Tax	-	-	10.5	11.4	10.5	11.4	(0.9)
State Property Tax	-	-	363.4	363.0	363.4	363.0	0.4
Subtotal	857.5	842.4	670.7	654.1	1,528.2	1,496.5	31.7
Net Medicaid Enhancement Rev	73.5	72.7	-	-	73.5	72.7	0.8
Recoveries	18.3	13.1	-	-	18.3	13.1	5.2
Subtotal	949.3	928.2	670.7	654.1	1,620.0	1,582.3	37.7
Other Medicaid Enhancement Rev to Fund Net Appropriations	-	-	-	-	-	-	-
Total	\$ 949.3	\$ 928.2	\$ 670.7	\$ 654.1	\$ 1,620.0	\$ 1,582.3	\$ 37.7

(1) Excludes Business Tax Cash Settlements of approximately \$33.5 million. These were recorded as a receivable and recognized in FY 2005. The Business Tax plan allocation between Gen. and Educ. Funds was adjusted this month to reflect the budgeted split of 60:40.



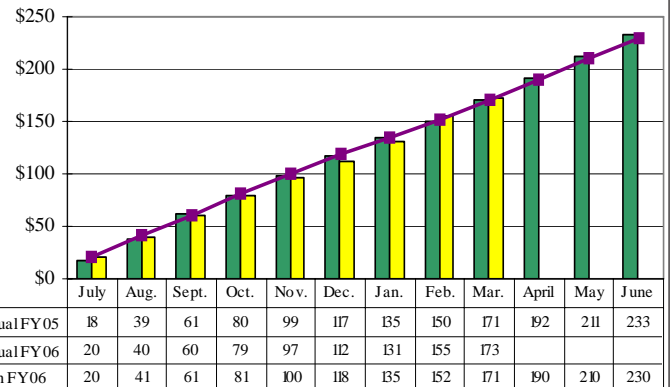
Education Trust Fund Statement of Activity - FY 2006 July 1, 2005 to March 31, 2006	
Description	In Millions
Beginning Surplus (unaudited)	\$ -
Unrestricted Revenue - See above	670.7
Transfers from General Fund Appropriations (net)	-
Expenditures	
Education Grants & Adm Costs	(841.5)
Ending Surplus (Deficit)	\$ (170.8)

Year-to-Date Analysis

Highway Fund

<i>Revenue Category</i>	<i>FY 06 Actuals</i>	<i>FY 06 Plan</i>	<i>Actual vs. Plan</i>
Gasoline Road Toll	\$ 97.7	\$ 99.5	\$ (1.8)
Miscellaneous	11.8	7.5	4.3
Motor Vehicle Fees			
MV Registrations	50.6	48.4	2.2
MV Operators	3.3	5.2	(1.9)
Inspection Station Fees	2.7	2.9	(0.2)
MV Miscellaneous Fees	3.4	3.1	0.3
Certificate of Title	3.6	4.2	(0.6)
Total Fees	63.6	63.8	(0.2)
Total	\$ 173.1	\$ 170.8	\$ 2.3

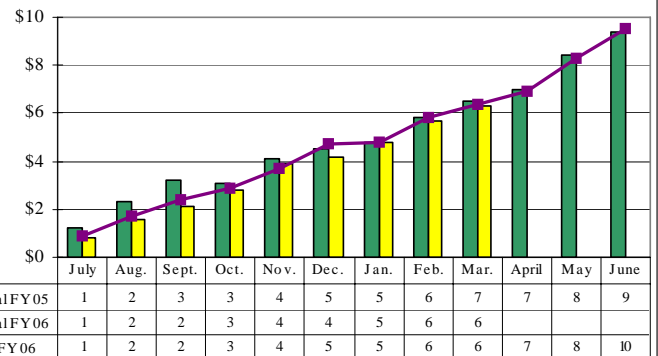
Cumulative Unrestricted Revenue



Fish & Game Fund

<i>Revenue Category</i>	<i>FY 06 Actuals</i>	<i>FY 06 Plan</i>	<i>Actual vs. Plan</i>
Fish and Game Licenses	\$ 5.2	\$ 5.7	\$ (0.5)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.2	0.2	-
Federal Recoveries Indirect Costs	0.8	0.4	0.4
Total	\$ 6.3	\$ 6.4	\$ (0.1)

Cumulative Unrestricted Revenue



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